

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Executive

**AGENDA NO.:** 1

**AGENCY:** Coastal Protection & Restoration Authority

**ANALYST:** Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Implementation	(\$1,240,775) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	(\$1,240,775)		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$1,240,775)</u></b>	<b>Total</b>	<b><u>(\$1,240,775)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Coastal Protection & Restoration Authority (CPRA) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces statutorily dedicated funds from the Coastal Protection & Restoration Fund in the amount of \$1,240,775 for the Implementation Program.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

This BA-7 reduces IAT expenditures in the amount of \$1.2 M. The \$1.2 M is excess budget authority that was to be used for Office of Technology Services (OTS) expenditures (approximately \$790,000) and LaGov support (approximately \$450,000). The \$450,000 budgeted for LaGov expenses in FY 15 was not needed as a result of completing the LaGov conversion at the end of FY 14.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
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**Approved By JLCB**

**DEPARTMENT:** Executive

**AGENDA NO.:** 2

**AGENCY:** Department of Military Affairs

**ANALYST:** Zachary Rau

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Military Affairs	\$1,394,617	0
Interagency Transfers:	\$0	Education	\$0	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$1,394,617			
<b>Total</b>	<b><u>\$1,394,617</u></b>	<b>Total</b>	<b><u>\$1,394,617</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This BA-7 request is to increase the appropriation of Federal funds for the Department of Military Affairs in the amount of \$1,394,617 as a part of the mid-year deficit reduction plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. A companion in-house BA-7 for a reduction of SGF in the amount of \$1,394,617 will be processed in-house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the Agency totals \$0.

\$1,394,617	JLCB Approval
<u>(\$1,394,617)</u>	OPB Approval
\$0	Total Mid-Year Reduction

The Federal funds are available for Military Affairs to use immediately. At the end of FY 13, Military Affairs had a surplus of Federal funds received via reimbursement for qualifying expenditures through a cooperative agreement with the US Property & Fiscal Office (USPFO). For cash flow purposes, Military Affairs carried this money forward into FY 14, then used it to pay up front for more expenditures which qualified for reimbursement from the Federal government rather than using available SGF in the next fiscal year. Military Affairs repeated this process in FY 15. All funds received via reimbursement from the Federal government are recorded as Federal revenues.

These Federal funds reached an amount of \$1,394,617 in FY 15. Rather than being used to pay only for expenditures that qualify for Federal reimbursement, these funds will be used to cover expenditures in the Operating Services category which Military Affairs previously paid for using SGF. The increase in Federal spending authority is being performed using one-time funds and will not be available in FY 16. Without authority to expend these Federal funds, Military Affairs would not be able to move forward with its FY 15 operations as planned.

**II. IMPACT ON FUTURE FISCAL YEARS**

The increase of \$1,394,617 in Federal spending authority will not be available beyond FY 15, as it is comprised of one-time funds. To the extent the reduction to SGF (OPB Approval) is annualized, Military Affairs will not be able to fill the gap using these Federal funds and will have an overall budget reduction as a result. Also, reimbursements of Federal funds will be affected. The surplus Federal funds used to pay for expenditures which qualify for Federal reimbursements will fund other expenditures that may not qualify for Federal reimbursement. To the extent the Department of Military Affairs reduces funding for expenditures which qualify for Federal reimbursement, they will see a corresponding reduction in Federal reimbursements in FY 16. Military Affairs currently estimates an anticipated reduction of \$1.1 M between Federal reimbursements as a result of not having a dedicated surplus used solely for Federal expenditures. Lastly, without this surplus of Federal funds to cover cash flows related to expenditures which qualify for Federal reimbursement, Military Affairs will likely request a seed from the Department of Treasury in FY 16 to cover any expenses which qualify for Federal reimbursement.

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**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**DEPARTMENT:** Executive

**AGENDA NO.:** 3

**AGENCY:** LA Commission on Law Enforcement

**ANALYST:** Zachary Rau

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Federal Program	\$0	0
Interagency Transfers:	\$0	State Program	(\$239,293)	0
Self-Generated Revenue:	\$0			
Statutory Dedications:	(\$239,293)			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$239,293)</u></b>	<b>Total</b>	<b><u>(\$239,293)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the LA Commission on Law Enforcement (LCLE) is being made as apart of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015. to address a reduction in the revenue forecast of \$103.5 M. This BA-7 reduces Statutory Dedications in the amount of \$239,293 for the State Program. The specific reductions are as follows:

(\$124,250) from the Tobacco Tax Health Care Fund: The corresponding expenditure reduction is related to LCLE's Drug Abuse Resistance Education (DARE) Program. The reduction would decrease the budget authority for DARE from \$2,757,618 to \$2,633,368. The average cost of DARE has been \$2,965,755 for an average of 175,264 students over the last 3 fiscal years. However, LCLE appropriations from the Tobacco Tax Health Care Fund were reduced from \$3,042,920 in FY 14 to \$2,757,618 in FY 15 to correspond with the fund's projected revenues. Expenditures to the DARE Program are dependent upon the Tobacco Tax Health Care Fund receiving revenue. LCLE anticipated a potential reduction of pass through grant funds in the amount of \$125,000 at the beginning of the fiscal year and included the reduction in DARE's programmatic costs for FY 15. As a result, no programmatic impacts are expected as a result of this reduction. However, if revenue collections are less than the revised appropriated amount, the DARE Program will be impacted.

(\$115,043) from the Crime Victim Reparations (CVR) Fund: The corresponding expenditure reduction is related to LCLE's Peace Office Standards Training (POST) Program from this statutorily dedicated fund. Based on the POST Program FY 15 appropriation of \$690,000, this reduction would decrease the amount available for the POST program to \$574,957. The average amount spent on the POST Program from the CVR Fund over the last 3 fiscal years is \$512,000 annually with an average of 1,825 trainees annually. Using the historical information available, there is no anticipated programmatic impact as a result of this reduction. The CVR currently has an FY 15 unappropriated fund balance of approximately \$532,000.

No companion BA-7 will be processed in-house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

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**LEGISLATIVE FISCAL OFFICE**  
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**DEPARTMENT:** Justice

**AGENDA NO.:** 4

**AGENCY:** Attorney General

**ANALYST:** Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Administrative	\$0 0
Interagency Transfers:	\$0	Civil Law	(\$1,435,655) 0
Self-Generated Revenue:	(\$335,349)	Criminal Law & Medicaid Fraud	\$0 0
Statutory Dedications:	(\$1,200,306)	Risk Litigation	\$0 0
Federal Funds:	\$0	Gaming	(\$100,000) 0
<b>Total</b>	<b><u>(\$1,535,655)</u></b>	<b>Total</b>	<b><u>(\$1,535,655) 0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of the Attorney General is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGR by \$335,349 and the statutorily dedicated LA Fund by \$1,100,306 for a total reduction in the amount of \$1,435,655 for the Civil Program. In addition, this BA-7 reduces statutorily dedicated funds from the Video Draw Poker Device Fund in the amount of \$100,000 for the Gaming Program. The total agency reduction is \$1,535,655.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

*Civil Program*

The \$1.4 M reduction decreased Professional Services by \$1.1 M (LA Fund) and Other Charges by \$335,349 (SGR). The \$1.1 M was to be utilized for upgrading software and computer equipment for Tobacco Arbitration. As a result of litigation involving Tobacco Arbitration progressing slower than anticipated, the upgrades are not needed in FY 15, but may be needed in FY 16. The \$335,349 Other Charges reduction is from fees collected for legal expenses associated with boards and commissions since the Attorney General's Office provides legal support to boards and commission within the state.

*Gaming Program*

The \$100,000 reduction is within each of the following expenditure categories: \$12,000 in Operating Services, \$10,230 in Supplies, \$40,000 in Professional Services, \$5,000 in Other Charges and \$32,770 in Interagency Transfers. Operating Services will be reduced \$12,000 in mail and postage and Supplies will be reduced \$10,230 in fuel expenses. A Professional Services contract with the Taylor Porter Law Firm will be reduced by \$40,000 and Other Charges will be reduced \$5,000 for copies, court fees and other court costs. Interagency Transfers will be reduced by \$15,098 for Risk Management expenses and \$17,672 for telephone expenses.

**II. IMPACT ON FUTURE FISCAL YEARS**

To the extent the \$1.1 M reduction from the LA Fund is annualized in the FY 16 Budget, the computer upgrades will not take place and Tobacco Arbitration may be affected.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
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**DEPARTMENT:** Treasury

**AGENDA NO.:** 5

**AGENCY:** State Treasurer

**ANALYST:** Travis McIlwain

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Administrative	(\$19,286) 0
Interagency Transfers:	(\$39,955)	Financial Accountability & Control	(\$30,816) 0
Self-Generated Revenue:	(\$451,147)	Debt Management	(\$441,000) 0
Statutory Dedications:	\$0	Investment Management	\$0 0
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$491,102)</u></b>	<b>Total</b>	<b><u>(\$491,102)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the State Treasury is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGR in the amount of \$451,147 and IAT in the amount of \$39,955.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

The most significant reduction will impact the Debt Management Program in the amount of \$441,000. According to State Treasury, reductions will impact general network and website support, court reporting services for the Bond Commission meetings, software maintenance, acquisitions and renegotiating the current contract with Lamont. Lamont is currently the state's financial advisor with a current total contract value of \$550,000.

In addition, State Treasury anticipates renegotiating the state's Central Banking Services contract (Chase Bank) that will result in anticipated current year expenditure savings in the amount of \$30,816. Chase Bank holds all the state's bank accounts. Acquisitions are being reduced within the Administrative Program in the amount of \$19,286.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
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**Approved By JLCB**

**DEPARTMENT:** Public Service Commission

**AGENDA NO.:** 6

**AGENCY:** Public Service Commission

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Administrative	(\$4,250) 0
Interagency Transfers:	\$0	Support Services	(\$2,500) 0
Self-Generated Revenue:	\$0	Motor Carrier Registration	(\$2,500) 0
Statutory Dedications:	(\$12,750)	District Offices	(\$3,500) 0
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$12,750)</u></b>	<b>Total</b>	<b><u>(\$12,750)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Public Service Commission is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces budget authority from Statutory Dedications in the amount of \$12,750 from the Utility & Carrier Inspection/Supervision Fund.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

This reduction represents savings from supplies and maintenance costs from vehicles that are considered underutilized (low mileage). Funds from the reductions were intended to pay for fuel and maintenance for Administrative, Support Services, Motor Carrier Registration, and District Offices vehicle usage in the Public Service Commission. This reduction will result in a loss of funding for the following programs:

Administrative	\$4,250
Support Services	\$2,500
Motor Carrier Registration	\$2,500
District Offices	\$3,500
<b>Total</b>	<b><u>\$12,750</u></b>

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.



**LEGISLATIVE FISCAL OFFICE**  
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**Approved By JLCB**

**DEPARTMENT:** Agriculture & Forestry

**AGENDA NO.:** 7

**AGENCY:** Agriculture & Forestry

**ANALYST:** Stephanie C. Blanchard

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Management & Finance	(\$143,654) 0
Interagency Transfers:	\$0	Agricultural & Environmental Sciences	(\$254,496) 0
Self-Generated Revenue:	(\$205,711)	Animal Health & Food Safety	(\$110,241) 0
Statutory Dedications:	(\$522,929)	Agro-Consumer Services	(\$111,346) 0
Federal Funds:	\$0	Auxiliary Account	(\$108,903) 0
		Soil & Water Conservation	\$0 0
<b>Total</b>	<b><u>(\$728,640)</u></b>	<b>Total</b>	<b><u>(\$728,640)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Department of Agriculture & Forestry is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGR and Statutory Dedications in the amount of \$728,640 for Agriculture & Forestry Program.

A companion BA-7 in the amount of \$1,277,668 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to Agriculture & Forestry totals \$2,006,308.

(\$728,640)	JLCB Approval
<u>(\$1,277,668)</u>	OPB Approval
(\$2,006,308)	Total Mid-Year Reduction

The following is a breakdown of reductions by expenditure category:

Travel	\$55,000
Operating Services	\$123,654
Supplies	\$170,137
Professional Services	\$150,000
Other Charges	\$204,849
Acquisitions	\$25,000

Travel reductions include in-state travel for various programs within the department. Operating services reductions are within Management & Finance and include IT services. Supplies and acquisitions reduction will reduce expenditures for lab supplies and equipment in addition to delaying planned IT projects including purchasing replacement computers and software. Professional services reductions include contracts for legal representation due to lawsuits being settled. The department did not identify what other charges expenditures would be reduced.

Self-Generated Revenues are being reduced by \$205,711 and Statutory Dedications are being reduced by \$522,929. A breakdown of the statutorily dedicated funds and amounts being reduced are as follows:

Structural Pest Control Fund	\$48,502
Pesticide Fund	\$51,085
Boll Weevil Eradication Fund	\$77,846
Agricultural Commodities Self-Insurance Fund	\$8,103
Petroleum and Petroleum Products Fund	\$255,000
Livestock Brand Commission Fund	\$523
Horticulture & Quarantine Fund	\$61,308

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Sweet Potato Pests and Disease Fund	\$15,755
Grain and Cotton Indemnity Fund	\$4,807

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.



**LEGISLATIVE FISCAL OFFICE**  
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**Approved By JLCB**

**DEPARTMENT:** Insurance

**AGENDA NO.:** 8

**AGENCY:** Commissioner of Insurance

**ANALYST:** Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Administrative & Fiscal	(\$444,783) (1)
Interagency Transfers:	\$0	Market Compliance	(\$939,152) (6)
Self-Generated Revenue:	(\$1,308,368)		
Statutory Dedications:	(\$75,567)		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$1,383,935)</u></b>	<b>Total</b>	<b><u>(\$1,383,935)</u> <u>(7)</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Department of Insurance is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGR in the amount of \$444,783 for the Administrative Program, and reduces the total appropriation for the Market Compliance Program by \$939,152 (\$863,585 SGR and \$75,567 Statutory Dedications).

The proposed reductions will impact the following expenditure categories:

<u>Administrative Program</u>	(\$444,783 SGR)
Salaries	(\$30,000)
Related Benefits	(\$21,188)
Professional Services	(\$294,095)
Interagency Transfers (IAT)	(\$99,500)
T.O. Positions	(1)

The reduction to professional services eliminates budget authority for software upgrades that will be delayed until funds are available. The IAT expenditures are associated with payments to the Secretary of State for microfilming and archiving documents. The department reports it will delay microfilming current year documents until funds are available.

The department reports that it anticipates eliminating 1 as-of-yet unidentified vacant administrative position.

<u>Market Compliance Program</u> -	(\$863,585 SGR, \$23,084 Statutory Dedications - Insurance Fraud Investigation Fund, \$41,956 Statutory Dedications - Administrative Fund of the Department of Insurance, \$10,527 Statutory Dedications - Automobile Theft and Insurance Fraud Prevention Authority Fund)
Salaries	(\$304,901)
Related Benefits	(\$170,539)
Professional Services	(\$453,185)
Other Charges	(\$10,527)
T.O. Positions	(6)

The reduction to professional services will eliminate some planned accounting and auditing contracts examining insurance firms as well as contract legal services. The department reports it will prioritize activities and utilize internal resources to the degree possible given its remaining budget allocation.

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The department reports that it anticipates eliminating the following vacant positions but that given job titles eliminated may be subject to change based on need: 2 Insurance Supervisors, 2 Insurance Specialists, 1 Insurance Tech, and 1 Attorney.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

**II. IMPACT ON FUTURE FISCAL YEARS**

The department will be delaying IT software upgrades, microfilming and other activities that will require completion at an unspecified point in a subsequent fiscal year.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
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**Approved By JLCB**

**DEPARTMENT:** Culture, Recreation & Tourism

**AGENDA NO.:** 9

**AGENCY:** Office of the Secretary

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$0	0
Interagency Transfers:	\$0	Management & Finance	\$0	0
Self-Generated Revenue:	(\$17,500)	LA Seafood Promotion & Marketing Board	(\$17,500)	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$17,500)</u></b>	<b>Total</b>	<b><u>(\$17,500)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of the Secretary is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces \$17,500 in SGR to the LA Seafood Promotion & Marketing Board (LSPMB).

A companion BA-7 in the amount of \$95,570 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the Office of the Secretary totals \$113,070.

(\$17,500)	JLCB Approval
(\$95,570)	OPB Approval
(\$113,070)	Total Mid-Year Reduction

This reduction will remove funding from the BP settlement required to pay for operations of the LSPMB. Reductions will curb the ability of the Board to perform outreach activities promoting the safety of LA seafood inside and outside of the state. In FY 11 the Board was given \$30 M from BP in response to the oil spill with the condition that the funding be used for seafood promotion.

In FY 13, the Board was transferred to the Department of Culture, Recreation & Tourism in an effort to rehabilitate the reputation of LA seafood products in national and international markets. Outreach programs from the Board have decreased in frequency over the past few years. There are currently \$331,718 of these funds remaining.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request assuming it meets the terms of the agreement between BP and the Department of Culture, Recreation & Tourism.

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**Approved By JLCB**

**DEPARTMENT:** Culture, Recreation & Tourism

**AGENDA NO.:** 10

**AGENCY:** State Library

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Library Services	(\$4,500)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	(\$4,500)			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$4,500)</u></b>	<b>Total</b>	<b><u>(\$4,500)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of the State Library is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces \$4,500 in SGR to the Library Services Program.

A companion BA-7 in the amount of \$234,506 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the Office of the State Library totals \$239,006.

(\$4,500)	JLCB Approval
<u>(\$234,506)</u>	OPB Approval
<u>(\$239,006)</u>	Total Mid-Year Reduction

Reductions associated with this BA-7 will impact many programs. Among the impacts would be the reduction of IT services provided by the State Library in the form of payment for internet services for 340 local branches, potentially limiting internet access to the general public. Additional impacts to local branches would include reducing the funding for the interlibrary loan program as well as ending subscriptions to certain database services and reference materials. Loss of funding for the interlibrary loan program may slow the transfer of requested books from one library to another, negatively impacting the public's ability to access desired reading materials. The subscription cancellation to various reference materials may also negatively impact the ability of the public to research topics of interest as well as those required for scholastic assignments. The only cancellation State Library has enacted so far is for Learning Express, an educational program designed to teach students how to use popular software like Microsoft Word and Adobe PDF creator. State Library will also lay off 5 filled positions and not fill one vacant position for the rest of the fiscal year while retaining their T.O. as unfunded positions. Lastly, in response to all of the reductions listed above, the State Library will only be open 2 days per week, severely limiting access to citizens. The State Library was unable to provide a detailed list of expenditure reductions resulting from the BA-7.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

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**DEPARTMENT:** Culture, Recreation & Tourism

**AGENDA NO.:** 11

**AGENCY:** State Museum

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	(\$63,158)	Museum	(\$85,880) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	(\$22,722)		
Statutory Dedications:	\$0		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$85,880)</u></b>	<b>Total</b>	<b><u>(\$85,880) 0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of State Museum is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces SGF in the amount of \$63,158 and SGR in the amount of \$22,722 to the Museum Program.

A companion BA-7 in the amount of \$212,486 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order Authority. The full mid-year reduction to State Museum totals \$298,366.

(\$85,880)	JLCB Approval
<u>(\$212,486)</u>	OPB Approval
(\$298,366)	Total Mid-Year Reduction

These reductions will impact operating services for state museums typically in the form of decreased utility usage, which will result in shortened hours of operation for all 9 museums throughout the state. This BA-7 also reduces the contract with the Louisiana Political Hall of Fame by \$25,000. The initial value of the contract was \$100,000 and funded as a pass through to help pay for salaries, related benefits, utilities and phone services for the Hall of Fame. The specific impact of the contract reduction is unknown at this time, but reductions in hours of operation are expected.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Culture, Recreation & Tourism

**AGENDA NO.:** 12

**AGENCY:** State Parks

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	(\$253,630)	Parks & Recreation	(\$672,116)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	(\$418,486)			
Federal Funds:	\$0			
<b>Total</b>	<b>(\$672,116)</b>	<b>Total</b>	<b>(\$672,116)</b>	<b>0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of State Parks is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces \$418,486 in Statutory Dedications funds from the LA State Parks Improvement & Repair Fund and reduces SGF in the amount of \$253,630.

A companion BA-7 in the amount of \$849,712 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the agency is \$1,521,828.

Reductions include the elimination of all 22 job appointments, 66 When Actually Employed (WAE) positions and 15 probationary employees. In total, 106 positions will be eliminated from State Parks, which will likely result in 319 existing TO positions performing tasks such as cleaning, fee collecting, lifeguard duty, and minor repairs. Loss of these positions will result in statewide pool closures and reduction to operating hours for state parks as well as the closing of 3 historical sites throughout the state. The sites to be closed are Fort Pike in New Orleans, Plaquemine Lock in Plaquemine Parish, and the Marksville Indian Mound in Avoyelles Parish. Also, travel, supplies, training, promotions, interpretative programs, acquisitions and major repairs will be reduced. In addition, the proposed BA-7 reduces \$418,486 from the State Parks Repair & Improvement Fund which will further delay park repairs that have been backlogged as the fund has been swept for multiple fiscal years. CRT's current deferred maintenance for State Parks is estimated to be \$21 M.

Below is a list of the affected parks and the classification of positions lost:

<b>Location</b>	<b>Parish</b>	<b>Probational</b>	<b>Job Appt</b>	<b>WAE</b>	<b>Permanent</b>	<b>Total EE's</b>
Administrative Office	East Baton Rouge	3	0	2	0	5
Bayou Segnette	Jefferson	1	1	0	0	2
Bogue Chitto	Washington	0	1	3	0	4
Chemin-A-Haut	Morehouse	0	1	7	0	8
Chicot	Evangeline	1	1	8	0	10
Cypremort Point	St. Mary	0	2	0	0	2
District 3 Office	Ouachita	0	1	0	0	1
Fairview / Riverside	St. Tammany	0	0	3	0	3
Fontainebleau	St. Tammany	0	1	3	0	4
Fort Jesup	Sabine	0	0	1	0	1
Fort Pike	Orleans	2	0	0	0	2
Fort St. Jean Baptiste	Natchitoches	0	0	2	0	2
Hodges Gardens	Sabine	3	0	1	0	4
Jimmie Davis	Jackson	0	1	2	0	3
Lake Bistineau	Webster	1	0	2	0	3

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Lake Bruin	Tensas	0	1	0	0	1
Lake Claiborne	Claiborne	0	1	2	0	3
Lake D'Arbonne	Union	1	1	3	0	5
Lake Fausse Pointe	Iberia	0	2	3	0	5
Marksville	Avoyelles	0	0	2	2	4
North Toledo Bend	Sabine	0	1	3	0	4
Palmetto Island	Vermillion	1	2	4	0	7
Plaquemine Lock	Iberville	0	0	1	1	2
Port Hudson	East Feliciana	0	0	2	0	2
Poverty Point Reservoir	Richland	0	3	0	0	3
Poverty Point World Heritage	West Carroll	0	0	1	0	1
Rebel	Natchitoches	0	0	1	0	1
Rosedown Plantation	West Feliciana	0	0	1	0	1
Sam Houston Jones	Calcasieu	0	2	1	0	3
South Toledo Bend	Sabine	1	0	1	0	2
St. Bernard	St. Bernard	0	0	2	0	2
Tickfaw	Livingston	1	0	5	0	6
<b>TOTAL</b>		<b>15</b>	<b>22</b>	<b>66</b>	<b>3</b>	<b>106</b>

Probational Appointment is the appointment of a person to serve during working test period in a position.

Job Appointment is a non-permanent appointment of an employee to fill a position in the classified service for a limited period of time.

When Actually Employed (WAE) positions serve on a part-time intermittent basis.

Permanent Appointment is a classified employee upon the successful completion of his probationary period.

## **II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

## **III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.



**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Culture, Recreation & Tourism

**AGENDA NO.:** 13

**AGENCY:** Cultural Development

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Cultural Development	(\$6,200) 0
Interagency Transfers:	\$0	Arts	\$0 0
Self-Generated Revenue:	(\$6,200)	Administrative	\$0 0
Statutory Dedications:	\$0		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$6,200)</u></b>	<b>Total</b>	<b><u>(\$6,200)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Cultural Development is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces \$6,200 in SGR for various cultural development projects.

A companion BA-7 in the amount of \$105,867 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the Office of the Secretary totals \$112,067.

(\$6,200)	JLCB Approval
<u>(\$105,867)</u>	OPB Approval
(\$112,067)	Total Mid-Year Reduction

Reductions from this BA-7 will remove funding to purchase a vehicle for the Council for the Development of French in LA (CODOFIL) as well as eliminating a contract with the National Main Street Center in addition to travel and operating services. The National Main Street Center is an organization that provides training and education to Main Street communities in order to better market their towns to generate tourism revenue. Cultural Development had formed a scholarship program that would pay for community officials to attend the training free of charge. The CODOFIL vehicle was to be purchased to replace an older service vehicle that had been used past recommended usage. The original source of the SGR is the Historic Preservation fund (\$4,151) and CODOFIL (\$2,049).

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Culture, Recreation & Tourism

**AGENDA NO.:** 14

**AGENCY:** Tourism

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Administrative	(\$20,000) 0
Interagency Transfers:	\$0	Marketing	(\$1,058,664) 0
Self-Generated Revenue:	(\$1,157,534)	Welcome Centers	(\$78,870) 0
Statutory Dedications:	\$0		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$1,157,534)</u></b>	<b>Total</b>	<b><u>(\$1,157,534)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Tourism is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces \$1,157,534 in SGR for various tourism programs.

A companion BA-7 in the amount of \$47,000 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the Office of the Secretary totals \$1,204,534.

(\$1,157,534) JLCB Approval  
(\$47,000) OPB Approval  
(\$1,204,534) Total Mid-Year Reduction

Reductions from this BA-7 will reduce funding of professional services contracts for marketing purposes with the following entities: the New Orleans Pelicans (\$130,000), Trumpet Group (\$417,164), and the Audubon Golf Trail and Research (\$160,000). Additional marketing changes will impact supplies by \$336,500 through reductions in printing services. This BA-7 also reduces supplies, operating services, and major repairs to Welcome Centers throughout the state for a total of \$78,870. Lastly, another \$20,000 will be removed from Administrative functions through supplies and related benefits.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Transportation & Development

**AGENDA NO.:** 15

**AGENCY:** Engineering & Operations

**ANALYST:** Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>	
State General Fund:	\$0	Engineering	\$0	0
Interagency Transfers:	\$0	Multimodal Planning	\$0	0
Self-Generated Revenue:	\$0	Operations	(\$2,071,000)	0
Statutory Dedications:	(\$2,071,000)	Aviation	\$0	0
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$2,071,000)</u></b>	<b>Total</b>	<b><u>(\$2,071,000)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Engineering & Operations Agency is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces Statutory Dedications funds from the Transportation Trust Fund-Regular in the amount of \$2,071,000 for the District Operations Program.

The proposed reductions will reduce the Supplies expenditure category. DOTD reports that it will have sufficient supplies to cover needs through the remainder of the fiscal year utilizing remaining budget authority and existing stockpiles of highway maintenance materials (culverts, pilings, bridge materials, etc.).

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

**II. IMPACT ON FUTURE FISCAL YEARS**

DOTD reports that this action will deplete a significant portion of its supply stockpiles. The department will need to replace supplies next year that are not ordered and stockpiled in the current fiscal year.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

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**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Corrections

**AGENDA NO.:** 16

**AGENCY:** David Wade Correctional Center

**ANALYST:** Stephanie C. Blanchard

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>	
State General Fund:	(\$17,695)	Administration	\$0	0
Interagency Transfers:	\$0	Incarceration	(\$17,695)	0
Self-Generated Revenue:	\$0	Auxiliary Account	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$17,695)</u></b>	<b>Total</b>	<b><u>(\$17,695)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the David Wade Correctional Center is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$17,695 for the Forcht-Wade Correctional Center.

A companion BA-7 in the amount of \$896,033 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the agency totals \$913,728.

(\$17,695)	JLCB Approval
<u>(\$896,033)</u>	OPB Approval
(\$913,728)	Total Mid-Year Reduction

This reduces excess unemployment funding associated with the Forcht Wade Correctional Center. The facility closed in July 2012. The unemployment benefits were paid for 52 weeks and ended in June 2013. This funding was the original amount budgeted to pay for unemployment at the Forcht-Wade Correctional Center and was not removed from the budget in FY 14 and FY 15. This funding was being used to offset underfunded needs for utilities (\$285,000) and supplies (\$175,000) at the facility, as well as unemployment costs for that facility that were not budgeted (\$47,000).

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Public Safety

**AGENDA NO.:** 17

**AGENCY:** Management & Finance

**ANALYST:** Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Management & Finance	(\$120,000) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	(\$120,000)		
Statutory Dedications:	\$0		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$120,000)</u></b>	<b>Total</b>	<b><u>(\$120,000) 0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Management & Finance is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGR in the amount of \$120,000 for the Management & Finance Program.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

The SGR is derived from the Office of Motor Vehicle fees. Of the \$120,000 reduction, \$24,000 is a contract with Westaff for temporary staffing that has been canceled. The remaining \$96,000 reduction is a contract with the Long Law Firm. The original contract amount was for approximately \$146,000 and will now be approximately \$50,000. The department anticipates spending \$50,000 in legal expenses for the year.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**DEFERRED By JLCB**

**DEPARTMENT:** Public Safety

**AGENDA NO.:** 18

**AGENCY:** State Police

**ANALYST:** Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>	
State General Fund:	\$0	Traffic Enforcement	\$0	0
Interagency Transfers:	\$0	Criminal Investigation	\$0	0
Self-Generated Revenue:	\$0	Operational Support	\$0	0
Statutory Dedications:	\$0	Gaming Enforcement	\$0	0
Federal Funds:	\$0			
<b>Total</b>	<b><u>\$0</u></b>	<b>Total</b>	<b><u>\$0</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This means of finance swap within the Office of State Police is part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces the statutorily dedicated Riverboat Gaming Enforcement Fund in the amount of \$6,000,000 and increases the statutorily dedicated Transportation Trust Fund (TTF-R) by a like amount for the Traffic Enforcement Program. In addition, this proposed BA-7 reduces the statutorily dedicated Riverboat Gaming Enforcement Fund in the amount of \$939,570 and increases the statutorily dedicated Concealed Handgun Permit Fund by a like amount for the Operational Support Program. The net fiscal impact to State Police as a result of these proposed budget changes is \$0. As a result of the swaps, the TTF-R appropriation will increase from \$59.8 M to \$65.8 M, the Riverboat Gaming Enforcement Fund appropriation will decrease from \$41.6 M to \$34.6 M and the Concealed Handgun Permit Fund appropriation will increase from \$2.8 M to \$3.7 M.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

*Traffic Enforcement*

The MOF swap decreases the Riverboat Gaming Enforcement Fund by \$6 M and increases TTF-R by \$6 M to continue operations within the Traffic Enforcement Program. At the January 29th Revenue Estimating Conference meeting, additional TTF-R revenue was recognized for FY 15. Since the May 2014 REC meeting, TTF-R revenue has increased by \$18.2 M.

The \$6 M reduction of the Riverboat Gaming Enforcement Fund will be utilized in BA-7 #24. The \$6 M amount will likely be transferred to the Overcollections Fund to be used by Department of Health & Hospitals - Medical Vendor Payments to offset a portion of the \$42.9 M SGF reduction. The transfer authorization will likely be contained within an upcoming legislative instrument (supplemental appropriations or funds bill) during the 2015 legislative session.

*Operational Support*

The MOF swap decreases the Riverboat Gaming Enforcement Fund by \$939,750 M and increases the Concealed Handgun Permit Fund by a like amount to continue operations within the Operational Support Program. As of 2/12/2015, the Concealed Handgun Permit Fund currently has cash on hand balance of \$5.6 M. Upon approval of this BA-7, the fund will have a FY 15 projected unappropriated balance of approximately \$3.9 M.

**Note:** Upon approval of this proposed BA-7 and proposed BA-7 #20, the Riverboat Gaming Enforcement Fund will have an FY 15 projected unappropriated fund balance of \$10.4 M.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**DEFERRED By JLCB**

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**DEPARTMENT:** Public Safety

**AGENDA NO.:** 19

**AGENCY:** State Fire Marshal

**ANALYST:** Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Fire Prevention	(\$134,746)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	(\$134,746)			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$134,746)</u></b>	<b>Total</b>	<b><u>(\$134,746)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of State Fire Marshal is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGR in the amount of \$134,746 for the Fire Prevention Program.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

The \$134,746 amount is being reduced from Other Charges - Aid to Local Governments. According to the State Fire Marshal, the reduction will not affect current local projects. Aid to local governments is assistance to local fire departments which can include reimbursement for planning of new fire stations, equipment and other assistance. This amount is currently unobligated funding. There is \$1,754,652 budgeted for FY 15 for Aid to Local Governments. The number and cost of projects vary from year to year. There are currently 7 projects with costs ranging from \$25,000 to \$500,000.

**II. IMPACT ON FUTURE FISCAL YEARS**

According to the State Fire Marshal, the Aid to Local Governments will likely be reduced in the FY 16 budget in the amount of \$540,000 to \$1,214,652 (\$1,754,652 FY 15 budgeted - \$540,000 FY 16 reduction). The reduction may limit the number of projects at the local level or the size of projects entered into at the local level.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.



**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Public Safety

**AGENDA NO.:** 20

**AGENCY:** LA Gaming Control Board

**ANALYST:** Matthew LaBruyere

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	LA Gaming Control Board	(\$75,000) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	(\$75,000)		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$75,000)</u></b>	<b>Total</b>	<b><u>(\$75,000)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the LA Gaming Control Board is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces the statutorily dedicated funds from the Riverboat Gaming Enforcement Fund in the amount of \$75,000 for the Administrative Program.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

The \$75,000 reduction is excess budget authority within each of the following expenditure categories: \$41,000 in Operating Services, \$16,000 in Supplies, and \$18,000 in Professional Services. Operating Services will be reduced \$1,000 in dues and subscriptions, \$3,000 in mail and postage, and \$37,000 in miscellaneous operating services. Supplies will be reduced \$3,000 in office supplies and \$13,000 in other supplies. Professional Services will be reduced \$18,000 in legal expenditures associated with the court reporter contract used for board meetings.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Youth Services

**AGENDA NO.:** 21

**AGENCY:** Juvenile Justice

**ANALYST:** Stephanie C. Blanchard

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>	
State General Fund:	(\$2,471,838)	Administration	\$0	0
Interagency Transfers:	\$0	North Region	\$0	0
Self-Generated Revenue:	\$0	Central/Southwest Region	\$0	0
Statutory Dedications:	\$0	Southeast Region	\$0	0
Federal Funds:	\$0	Contract Services	(\$2,471,838)	0
		Auxiliary	\$0	0
<b>Total</b>	<b><u>(\$2,471,838)</u></b>	<b>Total</b>	<b><u>(\$2,471,838)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Juvenile Justice (OJJ) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$2,471,838 for the Contract Services Program.

A companion BA-7 in the amount of \$1,582,162 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the Office of Juvenile Justice totals \$4 M.

(\$2,471,838)	JLCB Approval
<u>(\$1,528,162)</u>	OPB Approval
(\$4,000,000)	Total Mid-Year Reduction

The budget is being reduced in the amount of \$4 M from contract authority. OJJ was slated to transfer \$4 M to DHH-Medical Vendor Payments (DHH-MVP) for the Coordinated System of Care (CSoc). CSoc is an initiative that was implemented in FY 12 that involves 4 child-serving agencies (DHH, DCFS, OJJ and DOE), along with families, youth and other partners to better streamline and coordinate public behavioral health services for children who are either in or at risk of being placed out-of-home. The transfer of funds from OJJ to DHH-MVP was to be used to leverage federal and state dollars to provide behavioral and mental health treatment to youth in need of services in order to prevent those youth from progressing into the criminal justice system or out of home placement. The State Management Organization (SMO) is charged with determining Medicaid eligibility and manages billing for these services. Although OJJ is not billed directly for services provided historically or currently, they are obligated to make payments for this purpose. However, OJJ has not made the transfer of payments to DHH-MVP since FY 12 due to budgetary challenges and limitations; therefore, DHH-MVP is absorbing these costs.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 22

**AGENCY:** Jefferson Parish Human Services Authority

**ANALYST:** Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	(\$3,309)	Jefferson Parish Human Services Authority	(\$3,309)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$3,309)</u></b>	<b>Total</b>	<b><u>(\$3,309)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Jefferson Parish Human Services Authority (JPHSA) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$3,309.

A companion BA-7 in the amount of \$607,189 will be processed in-house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the agency totals \$610,498.

(\$3,309)	JLCB Approval
<u>(\$607,189)</u>	OPB Approval
(\$610,498)	Total Mid-Year Reduction

JPHSA reports that it will not fill 2 unspecified, vacant other charges positions in the current fiscal year. Additional savings will be realized through the retirement of a child psychologist to be replaced at a lower cost and elimination of 2 underutilized services (client transportation and bilingual behavioral health).

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 23

**AGENCY:** Metropolitan Human Services District

**ANALYST:** Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	(\$155,899)	Metropolitan Human Services District	(\$155,899)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$155,899)</u></b>	<b>Total</b>	<b><u>(\$155,899)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Metropolitan Human Services District (MHSD) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$155,899.

A companion BA-7 in the amount of \$872,901 will be processed in-house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the agency totals \$1,028,800.

(\$155,899)	JLCB Approval
<u>(\$872,901)</u>	OPB Approval
(\$1,028,800)	Total Mid-Year Reduction

MHSD reports that it will eliminate 2 unspecified, vacant other charges positions in the current fiscal year. Additional savings will be realized by delaying implementation of unspecified contracts as well as reducing or realigning various contract expenditures based on year-to-date expenditures.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Original: Not approved by JLCB**

**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 24

**AGENCY:** Medical Vendor Payments

**ANALYST:** Shawn Hotstream

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Private Providers	\$40,506,438	0
Interagency Transfers:	\$0	Public Providers	\$0	0
Self-Generated Revenue:	\$0	Medicare Buy-Ins & Supplements	\$0	0
Statutory Dedications:	\$40,506,438	Uncompensated Care Costs	\$0	0
Federal Funds:	\$0			
<b>Total</b>	<b><u>\$40,506,438</u></b>	<b>Total</b>	<b><u>\$40,506,438</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This increase in revenue to Medical Vendor Payments (MVP) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 increases Statutory Dedications in the amount of \$40,506,438. The source of Statutory Dedication includes various revenue sources projected to be collected in the Overcollections Fund. The specific sources that will be deposited into the Overcollections Fund include 1) \$11,100,000 in SGR from the LA Department of Revenue; 2) \$13,206,438 in available fund balance from the Telephone Company Property Assessment Relief Fund; 3) \$8 M from the DEQ Motor Fuels Underground Tank Fund; and 4) \$8,200,000 in Riverboat Gaming Enforcement Fund. This revenue will be utilized to offset a larger reduction in SGF in Medical Vendor Payments.

A companion BA-7 reducing \$42,925,118 in SGF will be processed in house by the Office of Planning & Budget under the Governor's Executive authority. The full mid-year impact to the MVP is a net reduction of \$2,418,680.

(\$42,925,118)	SGF Reduction (OPB Approval)
<u>\$40,506,438</u>	Statutory Dedication Increase (JLCB Approval)
(\$2,418,680)	Net Mid-Year Reduction

The net reduction to MVP (Medicaid) will result in elimination of Disproportionate Share Hospital (DSH) payments for uncompensated care costs to eligible hospitals with Medical Emergency Room Extension (MHERE) programs, and a reduction in supplemental Medicaid payments to eligible Major Teaching hospitals related to extraordinary costs incurred for Medicaid patients diagnosed with hemophilia.

(\$2,305,190)	SGF reduction for MHERE DSH payments (approx. \$6 M total payment impact)
<u>(\$113,490)</u>	SGF reduction for supplemental claims payments to hospitals with hemophilia expenses (\$300 K total impact)
(\$2,418,680)	

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**February 20, 2015**

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Amended: Approved by JLCB**

**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 24

**AGENCY:** Medical Vendor Payments

**ANALYST:** Shawn Hotstream

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Private Providers	\$32,506,438 0
Interagency Transfers:	\$0	Public Providers	\$0 0
Self-Generated Revenue:	\$0	Medicare Buy-Ins & Supplements	\$0 0
Statutory Dedications:	\$32,506,438	Uncompensated Care Costs	\$0 0
Federal Funds:	\$0		
<b>Total</b>	<b><u>\$32,506,438</u></b>	<b>Total</b>	<b><u>\$32,506,438</u> 0</b>

**I. SUMMARY/COMMENTS**

This increase in revenue to Medical Vendor Payments (MVP) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 increases Statutory Dedications in the amount of \$40,506,438. The source of Statutory Dedication includes various revenue sources projected to be collected in the Overcollections Fund. The specific sources that will be deposited into the Overcollections Fund include 1) \$11,100,000 in SGR from the LA Department of Revenue; 2) \$13,206,438 in available fund balance from the Telephone Company Property Assessment Relief Fund; and 3) \$8,200,000 in Riverboat Gaming Enforcement Fund. This revenue will be utilized to offset a larger reduction in SGF in Medical Vendor Payments.

A companion BA-7 reducing \$42,925,118 in SGF will be processed in house by the Office of Planning & Budget under the Governor's Executive authority. The full mid-year impact to the MVP is a net reduction of \$10,418,680.

(\$42,925,118)	SGF Reduction (OPB Approval)
<u>\$32,506,438</u>	Statutory Dedication Increase (JLCB Approval)
(\$10,418,680)	Net Mid-Year Reduction

The net reduction to MVP (Medicaid) will result in elimination of Disproportionate Share Hospital (DSH) payments for uncompensated care costs to eligible hospitals with Medical Emergency Room Extension (MHERE) programs, and a reduction in supplemental Medicaid payments to eligible Major Teaching hospitals related to extraordinary costs incurred for Medicaid patients diagnosed with hemophilia.

(\$2,305,190)	SGF reduction for MHERE DSH payments (approx. \$6 M total payment impact)
(\$113,490)	SGF reduction for supplemental claims payments to hospitals with hemophilia expenses (\$300 K total impact)
<u>(\$8,000,000)</u>	Removal of funding from the DEQ Motor Fuels Underground Fund by JLCB amendment to the BA-7
(\$10,418,680)	

**Note:** Additional \$8 M from the DEQ Motor Fuels Underground Tank Fund amended out of original BA-7 by JLCB will result in a like amount of reduction to the Medical Vendor Payments (excluding federal match). The specific provider payments that will be impacted are not known.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**February 20, 2015**

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Amended: Approved by JLCB**

**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 25

**AGENCY:** LA Emergency Response Network Board

**ANALYST:** Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	(\$13,354)	LA Emergency Response Network Board	(\$13,354)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$13,354)</u></b>	<b>Total</b>	<b><u>(\$13,354)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the LA Emergency Response Network Board (LERN) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$13,354 for LERN.

A companion BA-7 reducing Federal funds by \$43,320 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the agency totals \$56,674.

(\$13,354)	JLCB Approval
<u>(\$43,320)</u>	OPB Approval
(\$56,674)	Total Mid-Year Reduction

Summary of reductions:

Travel	\$3,500
Operating Services	\$4,550
Supplies	\$4,300
Professional Services	<u>\$44,324</u>
Total	\$56,674

The total reduction of \$56,674 represents reductions of approximately 6% in travel, 2% in operating services, 17% in office supplies, and less than 1% in professional services. The reduction in operating services are advertising, printing, pest control, maintenance, waste disposal, dues and subscriptions. The reduction in professional services includes contracts for legal and consulting services, a trauma medical director and education.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.



**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 26

**AGENCY:** Acadiana Area Human Services District

**ANALYST:** Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	(\$259,861)	Acadiana Area Human Services District	(\$259,861)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$259,861)</u></b>	<b>Total</b>	<b><u>(\$259,861)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Acadiana Area Human Services District (AAHSD) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$259,861.

A companion BA-7 in the amount of \$543,191 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the agency totals \$803,052.

(\$259,861)	JLCB Approval
<u>(\$543,191)</u>	OPB Approval
(\$803,052)	Total Mid-Year Reduction

AAHSD reports that it will realize savings through attrition (unfilled vacant positions), the executive order spending freeze, reducing unspecified social service contracts, decreasing use of professional service contracts and realigning revenue sources.

**Note:** AAHSD indicates it may be able to leverage additional federal dollars through the Low-Income and Needy Care Collaboration Agreement (LINCCA) Program in order to offset some of the proposed reductions. While AAHSD references realigning unspecified revenue sources and attempting to draw additional federal match to offset reductions, those changes are not reflected in this BA-7.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 27

**AGENCY:** Imperial Calcasieu Human Services Authority

**ANALYST:** Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	(\$436,542)	Imperial Calcasieu Human Services Authority	(\$436,542)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$436,542)</u></b>	<b>Total</b>	<b><u>(\$436,542)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Imperial Calcasieu Human Services District (ICHSD) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$436,542.

A companion BA-7 in the amount of \$369,921 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the agency totals \$806,463.

(\$436,542)	JLCB Approval
<u>(\$369,921)</u>	OPB Approval
(\$806,463)	Total Mid-Year Reduction

ICHSD reports that it will reduce or eliminate unspecified, underutilized contracts and achieve additional savings through reductions by delaying contract start dates and improvements to third-party billing. ICHSD will realize savings to its existing telepsychiatry contract based on recruitment of staff able to provide this service in-house.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Health & Hospitals

**AGENDA NO.:** 28

**AGENCY:** Central LA Human Services District

**ANALYST:** Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	(\$41,418)	Central LA Human Services District	(\$41,418) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	\$0		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$41,418)</u></b>	<b>Total</b>	<b><u>(\$41,418)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Central LA Human Services District (CLHSD) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on F2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$41,418.

A companion BA-7 in the amount of \$495,541 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the agency totals \$536,959.

(\$41,418)	JLCB Approval
<u>(\$495,541)</u>	OPB Approval
(\$536,959)	Total Mid-Year Reduction

CLHSD reports that it will reduce or eliminate unspecified, underutilized contracts and achieve additional savings through reductions in an unspecified number of vacant positions, attrition, and general expense reductions of operating services.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Children & Family Services

**AGENDA NO.:** 29

**AGENCY:** Children & Family Services

**ANALYST:** Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administration & Executive Support	(\$6,757)	0
Interagency Transfers:	\$0	Prevention & Intervention Services	\$0	0
Self-Generated Revenue:	\$0	Community & Family Services	(\$278,466)	0
Statutory Dedications:	\$0	Field Services	\$0	0
Federal Funds:	(\$285,223)			
<b>Total</b>	<b><u>(\$285,223)</u></b>	<b>Total</b>	<b><u>(\$285,223)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Department of Children & Family Services (DCFS) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces Federal funds in the amount of \$6,757 for the Administrative & Executive Support Program and \$278,466 for the Community & Family Services Program.

A companion BA-7 reducing Federal funds by \$146,932 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority. The full mid-year reduction to the department totals \$432,155.

(\$285,223) JLCB Approval  
(\$146,932) OPB Approval  
(\$432,155) Total Mid-Year Reduction

**Summary of reductions:**

Other Compensation	\$ 3,481 SGF and \$ 6,757 Federal = \$ 10,238
Other Charges	\$143,451 SGF and \$278,466 Federal = \$421,917
Total	\$146,932 SGF and \$285,223 Federal = \$432,155

Other Compensation – The department is reducing two vacant student worker positions for the remaining 5 months of the fiscal year.

Other Charges – The department is reducing administrative costs for child support enforcement services (\$60,118 SGF and \$116,701 Federal) as well as reducing contracted services associated with medical support orders (\$83,333 SGF and \$161,765 Federal). The contract for medical support orders is with Arkansas Medical Support Services Consortium. The contractor identifies support enforcement cases where health insurance coverage is available to dependent children through a parent's employer and enrolls the dependent children into the identified health plan. The department will continue to utilize the contractor to identify available health insurance coverage but will use existing staff to complete the enrollment process.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**February 20, 2015**

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Natural Resources

**AGENDA NO.:** 30

**AGENCY:** Office of Secretary

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>	
State General Fund:	\$0	Executive	\$0	0
Interagency Transfers:	\$0	Management & Finance	(\$17,604)	0
Self-Generated Revenue:	\$0	Technology Assessment	\$0	0
Statutory Dedications:	(\$17,604)	Atchafalaya Basin	\$0	0
Federal Funds:	\$0	Auxiliary Account	\$0	0
<b>Total</b>	<b><u>(\$17,604)</u></b>	<b>Total</b>	<b><u>(\$17,604)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of the Secretary is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces \$17,604 from the statutorily dedicated Fisherman's Gear Compensation Fund in the amount of \$17,604 for the Management & Finance Program.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

This reduction will impact the ability of DNR to pay fishermen from the Fisherman's Gear Compensation Fund. The Fisherman's Gear Compensation Fund allows fishermen who have lost lost equipment due to collisions with underwater oil pipelines and tools to request reimbursement from DNR for said equipment after providing proper documentation of ownership. This could negatively impact sportsmen who lose gear in this manner as there is no recourse for them to be reimbursed for the gear that was destroyed. This amount also represents the remaining portion of a 5% cut to the Fisherman's Gear Compensation Fund as \$14,037 was reduced in the first deficit plan. The total 5% reduction for this fund is \$31,641.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Natural Resources

**AGENDA NO.:** 31

**AGENCY:** Mineral Resources

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Mineral Resources Management	(\$357,455) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	(\$357,455)		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$357,455)</u></b>	<b>Total</b>	<b><u>(\$357,455)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Mineral Resources is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. The BA-7 reduces statutorily dedicated funds from the Mineral & Energy Operations Fund in the amount of \$357,455 for Mineral Resources Management Program.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

This represents a reduction from the Mineral & Energy Operations Fund for the following expenditures: Other Compensation (\$10,000), Professional Services (\$200,000), and Other Charges (\$147,455). Other Compensation impacts student employment in Lease Management and Desk Audit activities. These duties will likely be performed by remaining staff. Professional Services reduction impacts the Lease Management activity. The majority of this funding is used to pay legal fees associated with disputed ownership, 16th Section educational funding\*, and royalty payoffs. These legal services have not been expended and the department is uncertain when cases will be filed. Thus, the specific fiscal impact of this reduction is indeterminable. Other Charges also impacts the Lease Management activity and may impact the ability to maintain the SONRIS software system. The SONRIS system is used by the department and the oil and gas industry extensively for reporting and analysis of mineral revenues and activity.

**\*Note:** 16th Section educational funding is funding provided by mineral rights from land owned by a school district. The royalties from the land owned by the school district are given to the local school board to be spent as needed within the school district.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Revenue

**AGENDA NO.:** 32

**AGENCY:** Office of Revenue

**ANALYST:** Deborah Vivien

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Tax Collection	(\$1,379,142) 0
Interagency Transfers:	\$0	Alcohol & Tobacco Control	(\$879,426) 0
Self-Generated Revenue:	(\$2,258,568)	Charitable Gaming	\$0 0
Statutory Dedications:	\$0		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$2,258,568)</u></b>	<b>Total</b>	<b><u>(\$2,258,568)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Department of Revenue is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5M for FY 15. The BA-7 reduces SGR by \$1,379,142 for the Tax Collection Program and \$879,426 for the Alcohol & Tobacco Control Program.

The Tax Collection Program reduction represents a 1.3% decrease in spending authority and will be absorbed mainly through attrition, delaying hiring outside of the existing hiring freeze, centralizing supply purchases within the agency, as well as reducing the allowable funding for future contractual agreements. The reduction to the Office of Alcohol & Tobacco Control (ATC) represents a 13.8% reduction to the current total appropriation and 18.1% reduction in the SGR appropriation. If this proposed BA-7 is approved, ATC will have experienced a 25% reduction in its FY 15 budget with adjustments in conference travel, anticipated litigation expenses, software acquisitions and vacant positions in the Lake Charles area.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year expenditure reduction.

**Note:** The Department of Revenue will also be required to transfer \$11.1 M in SGR for use in the DHH budget to alleviate mid-year reductions (agenda item #24). Those funds are in addition to this BA-7 and are not considered in this write-up.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.



**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Environmental Quality

**AGENDA NO.:** 33

**AGENCY:** Environmental Compliance

**ANALYST:** Charley Rome

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Environmental Compliance	(\$1,195,000) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	(\$1,195,000)		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$1,195,000)</u></b>	<b>Total</b>	<b><u>(\$1,195,000)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Environmental Compliance is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces statutorily dedicated funds from the Environmental Trust Fund in the amount of \$1,195,000 for the Office of Environmental Compliance.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

This reduction includes \$185,000 in savings per Executive Order BJ 2014-16, Executive Branch Expenditure Freeze with savings taken from operating services (\$150,000) and supplies (\$35,000). The reduction also includes reductions in contracts (\$1,010,000) for unused lab analysis contracts with 9 vendors (\$900,000) and elimination of matching funds (\$110,000) for an EPA Hurricane Katrina grant that is completed. LDEQ forecasts that the Environmental Trust Fund will have a balance of approximately \$10.7 M at the end of FY 15 after application of these mid-year reductions.

With the reductions above, DEQ's budget is equal to the average over the last three years, plus 10%. After these reductions, DEQ is able to fund the anticipated day-to-day operational needs of the department. However, DEQ reports that it will not have adequate funding to respond in a timely basis to an unanticipated environmental emergency such as the following that have occurred: Hurricane Katrina (2005), Hurricane Rita (2005), Hurricane Gustav (2008), Hurricane Ike (2008), Deepwater Horizon oil spill (2010), Temple-Inland fish kill (2011), and Bayou Corne sinkhole (2012). When environmental emergencies such as these occur, DEQ's response costs typically exceed 10% of the agency's budget. However, DEQ does not anticipate any impacts from elimination of the matching funds (\$110,000) for the EPA Hurricane Katrina grant that is completed.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Environmental Quality

**AGENDA NO.:** 34

**AGENCY:** Environmental Services

**ANALYST:** Charley Rome

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Environmental Services	(\$27,057)	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	(\$27,057)			
Federal Funds:	\$0			
<b>Total</b>	<b><u>(\$27,057)</u></b>	<b>Total</b>	<b><u>(\$27,057)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Environmental Services is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces statutorily dedicated funds from the Environmental Trust Fund in the amount of \$27,057 for the Office of Environmental Services.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

The purpose of this BA-7 is to decrease statutorily dedicated funds from the Environmental Trust Fund by \$27,057 to address a midyear budget shortfall. This reduction is from savings per Executive Order BJ 2014-16, Executive Branch Expenditure Freeze with savings taken from travel (\$5,000), operating services (\$5,000) supplies (\$9,400), and state OTM/printing (\$7,657). LDEQ reports that these reductions will not have significant operational impacts to the department. LDEQ forecasts that the Environmental Trust Fund will have a balance of approximately \$10.7 M at the end of FY 15 after application of these mid-year reductions.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Environmental Quality

**AGENDA NO.:** 35

**AGENCY:** Management & Finance

**ANALYST:** Charley Rome

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Support Services	(\$1,309,833) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	(\$1,309,833)		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$1,309,833)</u></b>	<b>Total</b>	<b><u>(\$1,309,833)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Management & Finance is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces statutorily dedicated funds from the following funds for the Office of Management & Finance: Environmental Trust Fund (\$277,943), the Motor Fuels Underground Tank Fund (\$709,714) and the Waste Tire Management Fund (\$322,176).

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

The reduction from the Environmental Trust Fund (\$277,943) is from savings per Executive Order BJ 2014-16, Executive Branch Expenditure Freeze from operating services (\$250,000) and supplies (\$27,943). LDEQ reports that these reductions will not have significant operational impacts to the department. LDEQ forecasts that the Environmental Trust Fund will have a balance of approximately \$10.7 M at the end of FY 15 after application of these midyear reductions.

LDEQ reports that the reduction of \$709,714 to the Motor Fuels Underground Storage Tank Trust Fund may reduce resources for remediation of leaking underground motor fuel storage tanks. This reduction is in addition to a previous midyear cut of \$473,142. Fund revenues are derived from a fee imposed on the first sale of bulk motor fuel and from an annual fee per tank on owners of underground tanks storing new or used motor oil. LDEQ uses the fund to reimburse program participants for costs to remediate sites contaminated by leakage of motor fuels. This budget reduction is not likely to have an impact in FY 15 because the fund had unobligated balance of \$10.2 M on 12/31/2014 (latest date available). However, LDEQ reports that the fund acts as an insurance pool to fund remediation costs for leaking storage tanks and the fund may face a shortfall in the future due to this reduction.

LDEQ also reports that the reduction of \$322,176 in the Waste Tire Management Fund will decrease resources to pay waste tire processors. This reduction is in addition to a previous midyear cut of \$226,785. These revenues are derived from fees paid from new and used tire sales. Based on both mid-year reductions, LDEQ projects that the Waste Tire Management Fund will be short by approximately \$365,000 by the end of FY 15 and will owe this amount to waste tire processors for tires that have already been processed. LDEQ prorates payments to waste tire processors in months when cash is not available in the fund.

**II. IMPACT ON FUTURE FISCAL YEARS**

The reduction of \$709,714 to the Motor Fuels Underground Storage Tank Trust Fund may reduce resources for remediation of leaking underground motor fuel storage tanks in future fiscal years. The mid-year reductions will leave less cash in the Waste Tire Management Fund going into FY 16 and make the fund more susceptible to monthly shortfalls and prorated payments to waste tire processors in the future.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

**February 20, 2015**

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**DEPARTMENT:** Workforce Commission

**AGENDA NO.:** 36

**AGENCY:** Workforce Support & Training

**ANALYST:** Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Executive Director	\$0	0
Interagency Transfers:	\$0	Management & Finance	\$0	0
Self-Generated Revenue:	\$0	Information Systems	\$0	0
Statutory Dedications:	(\$329,467)	Workforce Development	\$0	0
		Unemployment Insurance Administration	\$0	0
Federal Funds:	\$0	Workers Compensation Administration	(\$329,467)	0
<b>Total</b>	<b><u>(\$329,467)</u></b>	<b>Total</b>	<b><u>(\$329,467)</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to the LA Workforce Commission (LWC) is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces Statutory Dedications in the amount of \$329,467 for the Office of Worker's Compensation Administration.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

LWC did not renew a contract with the SAS Institute for information technology services in the Office of Worker's Compensation once the contract had ended in August 2014. The contract created a statewide SAS fraud detection system to assist in collecting unemployment insurance taxes, plus penalties and interest. In FY 15, LWC had budgeted \$568,183 for the SAS contract. No funds were expended for this purpose in FY 15. The remaining balance of the SAS contract was reduced as part of the first mid year deficit elimination plan offered by the Division of Administration in December 2014; therefore no funding remains in FY 15 for the contract. This represents a decrease of approximately 2% from the Office of Workers' Compensation Administrative Fund statutory dedication.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

**DEPARTMENT:** Wildlife & Fisheries

**AGENDA NO.:** 37

**AGENCY:** Office of Wildlife

**ANALYST:** Drew Danna

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	Wildlife	(\$1,821,250) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	(\$1,821,250)		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$1,821,250)</u></b>	<b>Total</b>	<b><u>(\$1,821,250)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the Office of Wildlife is being made as part of the mid-year deficit elimination program offered by the Division of Administration on 2/6/2015 to address a \$103.5 M reduction in the revenue forecast for FY 15. This BA-7 reduces Statutory Dedications funds in the amount of \$1,821,250 from the Conservation Fund.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

This reduction represents a loss in funding allotted for land acquisition in cases of purchases needed to be made on short notice. These funds can be accessed from the Conservation Fund by Wildlife to make land purchases that arise from favorable situations or in instances of urgent need. After the reduction, \$928,750 remains from Statutory Dedications in the Conservation Fund with another \$3.75 M in matching federal funding, leaving a remaining balance of \$4.7 M.

**II. IMPACT ON FUTURE FISCAL YEARS**

The Legislative Fiscal Office anticipates that these reductions will be annualized in the FY 16 budget.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Other Requirements

**AGENDA NO.:** 38

**AGENCY:** LED Debt Service / State Commitments

**ANALYST:** Charley Rome

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	(\$221,080)	LED Debt Service	(\$221,080) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	\$0		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$221,080)</u></b>	<b>Total</b>	<b><u>(\$221,080) 0</u></b>

**I. SUMMARY/COMMENTS**

This reduction to LED Debt Service/Commitments is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces SGF in the amount of \$221,080 for LED Debt Service & Commitments.

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

LED Debt Service and State Commitments fund economic development projects throughout the state. The LA Department of Economic Development (LED) will offset the \$221,080 mid-year reduction with a \$1.5 M SGR payment from the City of Baton Rouge for IBM that is due in June 2015. This payment of \$1.5 M in SGR was not included in the FY 15 budget and the DOA/LED intends to seek appropriation of these funds in the Supplemental Bill to replace the \$221,080 in SGF reduced by this BA-7. LED will use alternative means of finance to make LED Debt Service & State Commitment payments related to the \$221,080 mid-year reduction if the department receives payment requests prior to receiving the IBM payment in June 2015. LED will credit these alternative means of finance after receiving the IBM payment. The remaining \$1,278,920 from Baton Rouge for IBM (\$1,500,000 - \$221,080 = \$1,278,920) will be available for appropriation to LED in FY 16 through the appropriations bill.

**II. IMPACT ON FUTURE FISCAL YEARS**

The remaining balance of \$1,278,920 from an unappropriated payment of \$1.5 M to be received in June of 2015 from the City of Baton Rouge for IBM will be available for appropriation to LED in FY 16 through the appropriations bill. As stated in the Summary/Comments, LED plans to use \$221,080 of the \$1.5 M to offset the \$221,080 in midyear cuts in this BA-7. As such, LED will need to find an alternative source of funding for the \$221,080 for IBM in FY 16 since these funds were used to offset the mid-year cut.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

**DEPARTMENT:** Capital Outlay Cash

**AGENDA NO.:** 39

**AGENCY:** DOTD-Capital Outlay / Non-State

**ANALYST:** Alan M. Boxberger

<u>Means of Financing</u>		<u>Expenditures by Program</u>	<u>T. O.</u>
State General Fund:	\$0	DOTD-Capital Outlay / Non-State	(\$14,580,498) 0
Interagency Transfers:	\$0		
Self-Generated Revenue:	\$0		
Statutory Dedications:	(\$14,580,498)		
Federal Funds:	\$0		
<b>Total</b>	<b><u>(\$14,580,498)</u></b>	<b>Total</b>	<b><u>(\$14,580,498)</u> 0</b>

**I. SUMMARY/COMMENTS**

This reduction to the DOTD-Capital Outlay / Non-State is being made as part of the mid-year deficit elimination plan offered by the Division of Administration on 2/6/2015 to address a reduction in the revenue forecast of \$103.5 M for FY 15. The BA-7 reduces funding from the Statutory Dedications, Transportation Trust Fund (TTF) - Regular in the amount of \$14,580,498 for the Other Charges expenditure category in the DOTD-Capital Outlay / Non-State Program. The reduction includes:

**\$5,538,498** reduction in capital outlay projects. The LFO assumes these reductions will be allocated to the Highway Priority Program. The Department reports that the Division of Administration will authorize the use of additional revenues recognized by the Revenue Estimating Conference (REC) to back-fill this reduction in a subsequent action. This plan will require additional legislative action either through budget adjustment by the JLCB or supplemental appropriation by the legislature. The current REC estimate for the Transportation Trust Fund adopted on 1/16/2015 exceeds the recommendation used in constructing the current year budget allocations (adopted on 5/19/2014) by a total of \$18.2 M. Of the \$18.2 M projected revenue growth, a separate action earlier in today's agenda (BA-7 #18) allocates and appropriates \$6 M of that amount to the Office of State Police leaving an undesignated balance of \$12.2 M.

**\$9,042,000** attributed to implementing recommendations from the GEMS report for the Department of Transportation & Development (DOTD). The LFO assumes these reductions will be allocated to the Highway Priority Program. Implementation of the GEMS recommendations will result in an actual reduction of expenditures attributable to 2 factors:

Expenditure Reduction

\$3,000,000	Reducing capital project cost overruns via a Quality Assurance & Quality Control Engineering Team
\$542,000	Reducing use of outside design and construction engineer contractors

The department reports it has already formed the Quality Assurance & Control Team and initiated expansion of its design and construction engineering staff. DOTD anticipates the \$3.5 M savings projected by the GEMS report to be achievable over the life span of the FY 15 Capital Outlay Program.

Potential Revenue Offsets

Implementation of 2 additional GEMS recommendations are projected to result in an increase in revenues that the Division of Administration has authorized for use to back-fill \$5.5 M in reductions as proposed in this BA-7. This plan will require additional legislative action either through budget adjustment by the JLCB or supplemental appropriation by the legislature.

\$5,000,000	Proceeds from the anticipated sale of surplus properties
\$500,000	Anticipated expansion of annual advertising revenue on DOTD assets

**February 20, 2015**



**LEGISLATIVE FISCAL OFFICE**  
**ANALYSIS OF BA-7 REQUEST**  
**Approved By JLCB**

No companion BA-7 will be processed in house by the Office of Planning & Budget under the Governor's Executive Order authority as this BA-7 represents the full amount of the mid-year reduction.

**NOTE:** This BA-7 executes a reduction to the DOTD Capital Outlay Program (assumed to be the Highway Priority Program). Despite reference to back-filling the reduction on this BA-7 by utilizing \$5.5 M of additional SGR revenues from GEMS recommendations and \$5.5 M of undesignated TTF as offset to the proposed reduction, this BA-7 does not execute those actions. If the revenue components are realized, a separate action by the legislature will be required to appropriate those funds back to the Capital Outlay appropriation.

**NOTE 2:** DOTD is unable to provide a list of any projects within the current capital outlay appropriation that will be impacted by this BA-7. The department states its intent will be to cash flow all projects currently included in the Highway Priority Program, which may result in a delay of the project or reduction of cash available for future Capital Outlay appropriations unless the revenues are back-filled as detailed above.

## **II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request may have an impact on future fiscal years if the plan to back-fill some of these reductions is not executed within the current fiscal year. In that case, projects within the Highway Priority Program will be completed by cashflowing those projects future appropriations which would in turn reduce the funding available for future projects in the program.

## **III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request. These funds may not be available until FY16.